



BellSouth Telecommunications, Inc.
333 Commerce Street
Suite 2101
Nashville, TN 37201-3300

guy.hicks@bellsouth.com

December 15, 2000

Guy M. Hicks
General Counsel

615 214-6301
Fax 615 214-7406

VIA HAND DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Generic Docket Addressing Rural Universal Service*
Docket No. 00-00523

Dear Mr. Waddell:

Enclosed are fourteen copies of BellSouth's response to a December 8, 2000 letter from the Coalition of Small LECs and Cooperatives requesting further information with respect to the data that BellSouth filed with the Authority on November 14, 2000. I have also enclosed fourteen copies of the December 8 letter for your convenience. Copies of the enclosed are being provided to counsel of record for all parties.

Very truly yours,

Guy M. Hicks

GMH:ch
Enclosure

BellSouth Telecommunications, Inc.
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December 15, 2000

Steven E. Watkins
Kraskin, Lesse & Cosson, LLP
2120 L. Street, NW, Suite 520
Washington, DC 20037

Re: *Generic Docket Addressing Rural Universal Service*
Docket No. 00-00523

Dear Mr. Watkins:

This letter responds to your December 8, 2000 letter requesting BellSouth to provide additional information to support the data that BellSouth provided to the Tennessee Regulatory Authority (TRA) on November 14, 2000. Following is the supporting documentation, which we believe reconciles the differences between the originating and terminating minutes as reported by BellSouth and the independent companies.

BellSouth's source for the minutes reported was the Modified Revenue Distribution Fund (MRDF) form MP-1224-COM plus cellular minutes. BellSouth was ask to provide data for the 12 months ending June 30, 2000. The MRDF is processed monthly on an arrears type basis, meaning that the June MRDF settlements actually represent May activity. The data submitted by BellSouth was pulled from the July 1999 through the June 2000 MRDF forms.

Originating Minutes

Thirteen of the twenty-one companies responding to the data request filed originating minutes, which were identical to BellSouth's filing. It appears that the remaining respondents may have used a different twelve-month period (most likely actual July 1999 minutes through actual June 2000 minutes). This inconsistency in reporting period appears to have caused non-material differences in originating minutes filed.

Steven E. Watkins
December 15, 2000
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DEC 15 11 4 09
FBI

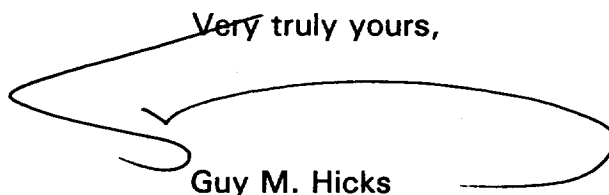
Terminating Minutes

The source for these minutes was the MRDF MP-1224-COM plus the cellular terminating minutes, which are reported to the industry in the monthly settlement process. The question you raise is that BellSouth reported, in some instances, a greater amount of terminating minutes to the TRA than it did to the Coalition members. The terminated minutes reported by BellSouth included the following categories of minutes: MTS, CMRS and LOC area-plus.¹ The difference between what we reported to the TRA and the Coalition members numbers is a function of whether the members included some or all of these components. Our review shows that: three of the reporting companies appear to have included all three categories of minutes; sixteen reporting companies omitted cellular minutes; and one company appears to have omitted both LOC area-plus minutes and cellular minutes. Attached is a schedule detailing the source of BellSouth's terminating minutes and a schedule attempting to reconcile BellSouth's and the independent companies' terminating minutes.

Please review the attachment. If you have any questions or disagree with our conclusion, please advise as soon as possible. Otherwise, we would request that your clients update their respective data request filings at the TRA to include all terminating minutes as explained above. It is our opinion that this reconciliation demonstrates that the total terminated minutes reported monthly in the settlement process with the independent companies is consistent with the data submitted by BellSouth to the TRA. This should eliminate any confusion regarding historical originating and terminating minutes and will provide the TRA with the proper and consistent data regarding their October 31, 2000 data request.

Should you have any questions, please feel free to give me a call.

Very truly yours,

A large, stylized handwritten signature in black ink, appearing to read "Guy M. Hicks".

Guy M. Hicks

¹ These categories are included because BellSouth includes each category in determining the total of terminating minutes and, more importantly, pays terminating access for all of these minutes in the PCP settlement process.

KRASKIN, LESSE & COSSON, LLP
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By Fax and U.S. Mail

December 8, 2000

Mr. Guy Hicks
General Counsel
BellSouth Telecommunications, Inc.
333 Commerce Street
Suite 2101
Nashville, Tennessee 37201-3300

Re: IntraLATA Settlements

Dear Mr. Hicks:

On behalf of members of the Coalition of Small LECs and Cooperatives, I am requesting that BellSouth provide further information with respect to the data that BellSouth filed with the Tennessee Regulatory Authority on November 14, 2000. The data that BellSouth filed includes both "originating intraLATA toll minutes for the 12 months ended June 30, 2000" and "terminating intraLATA toll minutes for the 12 months ended June 30, 2000" for the Coalition members. The members of the Coalition have reviewed the settlement statements that BellSouth had previously provided for the period covered by the data response and have concluded that the amounts reported by BellSouth on November 14, 2000, are significantly greater than the amounts BellSouth has reported to each of the member companies for settlement. The Coalition members are very interested in working with BellSouth to resolve this unidentified traffic. In keeping with the members' rights under the existing intraLATA plan and to facilitate resolution of the inconsistencies, the companies request that BellSouth provide additional supporting information that forms the basis for the data reported to the Tennessee Regulatory Authority.

With respect to the existing intraLATA plan, the only connecting carrier arrangement that BellSouth has with the member companies is one that involves originating and terminating access for which BellSouth is responsible for payment of access charge compensation. Accordingly, for the intraLATA traffic that BellSouth originates and terminates, BellSouth is reminded that it is responsible for access charge compensation (with the exception for county-wide calling) consistent with the intraLATA settlements obligations that BellSouth has with each of the Coalition members. If

Mr. Guy Hicks
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BellSouth delivers traffic to the Coalition members, then BellSouth is responsible for access compensation for that traffic.

The Coalition member companies are now in the process of reviewing the available data and traffic measurements. We look forward to arranging a meeting in the near future to discuss reconciliation of the usage information and settlements.

Should you have any questions, please feel free to give me a call.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Watkins", with a stylized flourish at the end.

Steven E. Watkins
Principal, Management Consulting

cc: Mr. Ray McCallen, by fax
Mr. Leo Shoemaker, by fax
Mr. Charlie Howorth, by fax
Mr. Ricky Ayo, by fax

allSouth Telecommunications
reconciliation of Terminating Minutes Reported

<u>Company Name</u>	<u>a</u> <u>Ind. Co's</u> <u>Terminating</u> <u>Minutes</u> <u>Reported</u>	<u>b</u> <u>Est ICO</u> <u>Cellular Term</u> <u>Minutes</u> <u>Omitted</u>	<u>c</u> <u>Est ICO</u> <u>LOC Area</u> <u>Plus minutes</u> <u>Omitted</u>	<u>d</u> <u>(a+b+c)</u> <u>Ind. Co's</u> <u>Terminating</u> <u>Minutes</u>	<u>e</u> <u>BellSouth</u> <u>Terminating</u> <u>Minutes</u> <u>Reported</u>	<u>f</u> <u>Timing</u> <u>Difference</u> <u>????</u>
Century of Adamsville	4,382,559	1,798,377		6,180,936	6,034,166	-146,770
Ben Lomand	15,545,933	5,755,127		21,301,060	21,041,638	-259,422
Bledsoe	2,979,033	1,082,453		4,061,486	4,061,486	0
Century of Claiborne	5,714,181	801,992		6,516,173	6,409,618	-106,555
Concord	1,991,249	4,228,439		6,219,688	6,219,688	0
Crockett	6,963,102			6,963,102	6,963,102	0
Dekalb	12,763,304	4,093,575		16,856,879	16,856,879	0
Highland	9,080,273	997,128		10,077,401	10,177,401	100,000
Humphrey's	958,848	435,489		1,394,337	1,394,337	0
Loretto	2,863,958	822,229		3,686,187	3,601,060	-85,127
Millington	9,973,414			9,973,414	9,973,414	0
North Central	11,407,683	2,820,180		14,227,863	14,001,039	-226,824
Century of Ooltewah	87,571	1,747,914		1,835,485	1,834,106	-1,379
Tennessee Telephone	29,664,913	12,543,097		42,208,010	42,208,010	0
Peoples	6,225,624			6,225,624	6,225,624	0
Tellico	5,373,362	934,416		6,307,778	6,307,778	0
Twin Lakes	11,946,404	2,947,986		14,894,390	14,894,389	-1
United	11,717,215	3,141,340		14,858,555	14,611,576	-246,979
West Tn	5,300,361			5,300,361	5,302,429	2,068
Yorkville	1,852,985	602,804		2,455,789	2,455,789	0
Ardmore	738,873	592,858	809,113	2,140,844	2,155,307	14,463
Totals	157,530,845	45,345,404	809,113		202,728,836	-956,526

II South Telecommunications
Schedule Detailing Source of Terminating Minutes
As Reported for 12 Months Ended June 30, 2000
(Represents actual minutes for June 1999 through May 2000)

<u>Company Name</u>	<u>Terminating MTS Minutes</u>	<u>Terminating Local Area Plus Minutes</u>	<u>Terminating Cellular Minutes</u>	<u>Total Terminating BellSouth Minutes</u>
Century of Adamsville	2,301,417	1,934,372	1,798,377	6,034,166
Ben Lomand	9,700,933	5,585,578	5,755,127	21,041,638
Bledsoe	1,802,253	1,176,780	1,082,453	4,061,486
Century of Claiborne	2,597,240	3,010,386	801,992	6,409,618
Concord	1,379,153	612,096	4,228,439	6,219,688
Crockett	2,771,039	2,893,134	1,298,929	6,963,102
Dekalb	8,572,714	4,190,590	4,093,575	16,856,879
Highland	5,381,557	3,798,716	997,128	10,177,401
Humphrey's	551,128	407,720	435,489	1,394,337
Loretto	1,526,443	1,252,388	822,229	3,601,060
Millington	2,292,481	3,372,168	4,308,765	9,973,414
North Central	7,214,533	3,966,326	2,820,180	14,001,039
Century of Ooltewah	55,799	30,393	1,747,914	1,834,106
Tennessee Telephone	15,901,909	13,763,004	12,543,097	42,208,010
Peoples	2,650,278	2,690,513	884,833	6,225,624
Tellico	3,388,782	1,984,580	934,416	6,307,778
Twin Lakes	8,227,488	3,718,915	2,947,986	14,894,389
United	6,492,070	4,978,166	3,141,340	14,611,576
West Tn	2,097,153	2,125,638	1,079,638	5,302,429
Yorkville	935,208	917,777	602,804	2,455,789
Ardmore	753,336	809,113	592,858	2,155,307
		Grand Total		202,728,836

CERTIFICATE OF SERVICE

I hereby certify that on December 15, 2000, a copy of the foregoing document was served on the parties of record, via the method indicated:

☐ Hand
☒ Mail
☐ Facsimile
☐ Overnight

Richard Tettelbaum
Citizens Telecommunications
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Bethesda, MD 20817

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☐ Overnight

Charles B. Welch, Esquire
Farris, Mathews, et al.
205 Capitol Blvd, #303
Nashville, TN 37219

☐ Hand
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☐ Facsimile
☐ Overnight

Mr. David Espinoza
Millington Telephone Company
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Millington, TN 38053

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☐ Overnight

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Nashville, TN 37219-8062

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☐ Hand
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☐ Overnight

Donald L. Scholes, Esquire
Branstetter, Kilgore, et al.
227 Second Ave., N
Nashville, TN 37219

A handwritten signature in black ink, appearing to read "Donald L. Scholes", is written over a horizontal line. The signature is stylized with a large loop and a long horizontal stroke.